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ABSTRACT

The author considers the effects of President Ronald Reagan's proposed federal budget programs on handicapped education. Following an explanation of "block grants" is a section addressing the Supplemental Appropriations and Rescission Act of 1981 (P.L. 97-12) which rescinded $76,819,000 from 10 education for the handicapped programs, earmarked $25,000,000 for preschool incentive grants, and rescinded $12.1 million from Rehabilitative Services and Handicapped Research. Discussed next are the First Concurrent Resolution on the Budget, FY 1982 which mandated spending reductions of approximately $36 million through use of the reconciliation process; and the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Bill, 1982 (H.R. 4560) which provides $1.068 billion for handicapped education programs. It is pointed out that reconciliation requires the setting of budget authorization ceilings and pits program against program and special interest against special interest. (SB)

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The Federal Budget

and

Education for the Handicapped Programs

for

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Introduction

January 20, 1981 ushered in a new conservative Republican Administration which had a stated goal of reducing Federal government spending. Immediately upon taking office, President Ronald Reagan proceeded to enact his party platform. His recommendations have had a profound impact on the Nation's economy. With regard to education of the handicapped, the proposals had particular significance.

On February 18 and March 10, 1981, President Reagan submitted his "Program for Economic Recovery" to the Congress. As a part of his program, the President proposed a consolidation of all or part of over 45 separate Federal elementary and secondary education programs into two "block grant" programs --- one to the states and one to local education agencies (LEA's). The intent of the block grants was to shift control over education policy away from the federal government to state and local authorities.

Among the 35 separate programs recommended for the state block grant was the Education of the Handicapped program. Seven handicapped education programs, with FY1981 budget authority of $108.4 million, were included in this block grant, They are: severely handicapped projects, regional resources centers; early childhood education; regional vocational, adult, and postsecondary programs; handicapped innovation and development; special education personnel development; and gifted and talented.

The local education agency block grant contained to handicapped education programs with FY1981 budget authority of $947.0 million. These are the handicapped state grant programs and the preschool incentive grants for the handicapped.

Budget authority for the block grants in FY1982 was to be 80 percent of the sum of the combined prograns in FY1981. The Administration anticipated that the

reduced funding levels would be offset by more efficient management generating from the increased latitude given to state and local governments to tailor education programs to suit the particular needs of children in their districts.

As you know, the Reconciliation Act (P.L. 97-35) does not include handicapped education programs in the education block grant program. Opposition to their inclusion came primarily from two Republican Senators on the Labor and Human Resources Committee. However, persons interested in handicapped education should monitor implementation of Section 564 which requires the governor to appoint an advisory committee which will be responsible for advising the state educational agency on the allocation of 20 percent of a state's allotment of the state block grant. This committee's membership must be representative of --

1. public and private elementary and secondary school children;
2. classroom teachers;
3. parents of elementary and secondary school children;
4. local boards of education;
5. local and regional school administrators (including principals and superintendents);
6. institutions of higher education; and
7. the state legislature.

Finally, the issue of block grants is not over. President Reagan has stated that he intends to continue to pursue block grants for almost all education programs.

Supplementals and Rescissions

When President Reagan submitted his economic program, he also submitted proposals for a supplemental appropriation and rescission bill. The "Supplemental Appropriations and Rescission Act of 1981" (P.L. 97-12) was approved by both Houses

on June 4, 1981, and signed into law the following day. P.L. 97-12 rescinded $76,819,000 from ten education for the handicapped programs.

State grant program	-$ 47,500,000
Severely handicapped	- 625,000
Early childhood	- 2,500,000
Regional, vocational, and adult and postsecondary programs	- 1,050,000
Innovation and development	- 5,000,000
Media services and captioned films	- 2,000,000
Regional resource centers	- 2,094,000
Recruitment and information	- 250,000
Special education personnel development	- 14,500,000
Special studies	- 1,300,000

House-Senate conferees directed that the funds appropriated for special education personnel development be equitably distributed among the 50 states by renegotiating proportional reductions in the contracts of the cycle projects already approved, and making comparable percentage reductions in the new qualifying proposals for the states on the current cycle. Further, the conferees expected that the parent training programs operated by parent coalitions would be funded as planned for FY1981. The legislation also earmarked $25,000,000 for section 619 of the Education of the Handicapped Act (pre-school incentive grants).

P.L. 97-12 also rescinded $12.1 million from Rehabilitation Services and Handicapped Research.

First Budget Resolution

Under the "Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344), Congress must approve the first concurrent resolution on the budget. The concurrent resolution sets forth the following:

1. the appropriate levels of total budget authority and outlays for the next fiscal year, both in the aggregate and for each major functional category of the budget;

2. the appropriate budget surplus or deficit for the next fiscal year;

3. the recommended level of Federal revenues and recommended increases or decreases in revenues to be reported by appropriate committees;

4. the appropriate level of the public debt and recommended increases or decreases to be reported by appropriate committees; and

5. any other matters deemed appropriate to the congressional budget process.

The first budget resolution for a given fiscal year establishes targets for budget authority and outlays for each of the major functional categories, as well as for the five major budget aggregates --- revenues, budget authority, outlays, deficit, and public debt. These budget targets, which represent a congressional determination of appropriate fiscal policy and national budget priorities, are intended to guide the Congress in its subsequent spending and revenue decisions. When Congress adopts the second concurrent budget resolution on September 15, the aggregate budget authority and outlay levels become binding ceilings, and the revenue level becomes a binding floor.

However, Congress did not strictly follow this procedure. The "First Concurrent Resolution on the Budget, FY1982" (H.Con. Res. 115 -- Gramm-Latta I) mandated FY1982 spending reductions of approximately $36 billion through use of the reconciliation process. In general, reconciliation language directs one or more committees of the Congress to submit legislation increasing or decreasing revenues, spending or the limit on the public debt. The purpose of the reconciliation process is to require committees to implement the spending and tax policy decisions agreed to in the budget resolution.

Handicapped education falls under the House Education and Labor Committee and the Senate Labor and Human Resources Committee. H.Con.Res. 115 required the following reconciliation action by these committees for FY1982.

	Billions	
	BA	O
Labor and Human Resources	-$ 10,492	-$ 8,225
Education and Labor	-$ 10,136	-$ 8,138

The "Omnibus Budget Reconciliation Act of 1981" (P.L. 97-35), sometimes called Gramm-Latta II, is the results of the mandated budget reductions. Education for the Handicapped programs went from an FY1981 budget authority of $1.1 billion to $1.15 billion in FY1982 and $1.198 billion in FY1983. Rehabilitation services went from an FY1981 budget authority of $965.9 million to $1.009 billion in FY1982 and $1.054 billion in FY1983. Obviously, this action did not reduce budget authority, but these programs are by no means immune to future budget action.

Appropriations

On October 6, 1981, the House, by voice vote, approved H.R. 4560, "Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Bill, 1982" (H.Rpt. 97-251). H.R. 4560 provides $1.068 billion for handicapped education programs in FY1982, an increase of $177.7 million over the budget request and $42.9 million over the amount available for FY1981. Rehabilitation services and handicapped research were provided $953.7 million, an increase of $229.3 million over the budget request, but the same amount available for FY1981.

The action by the House is not in line with the Administration's latest request presented on September 24 by President Reagan in a nationally televised address. He is proposing a 12 percent across-the-board reduction in all discretionary domestic programs; this reduction is based upon the March 10, 1981, budget submission. The President is threatening to veto H.R. 4560 because its $87.3 billion total is $3 to $4 billion above his latest request.

The September budget proposals request $783.5 million for handicapped education programs and $757.6 million for rehabilitation services and handicapped research.

Handicapped Programs, the Budget and the Future

Until 1981, most people had never heard of the term "reconciliation." Besides the general definition presented earlier, it has another dimension. Reconciliation requires the setting of budget authorization ceilings under which all programs must fall. Worse yet, it pits program against program and special interest against special interest.

For example, during consideration of reconciliation legislation in the Senate, Jesse Helms (R-N.C.) offered an amendment which sought to restore $11.5 million to funding for Gallaudet College and $12.5 million to funding for the National Technical Institute for the Deaf for fiscal years 1982 and 1983 by shifting these funds from education of the handicapped programs. The amendment was designed to help meet the special needs of those children born with hearing deficiencies as a result of the rubella epidemic which swept the country between 1963 and 1965. The amendment only received 32 votes.

Moreover, this year reconciliation was used not only to reduce the budget but to create new programs. These included block grants for social services, community services, health, and education, as well as a $30 million family life demonstration program (commonly called the teenage chastity program).

President Reagan has made it clear that he intends to drastically reduce Federal spending. When all the compromises which led to passage of the Reconciliation Act were complete, everyone mistakenly assumed that the budget cutting crusade was over. Nothing could be further from the truth. The Administration did not stipulate that it would seek appropriations at authorized levels. Furthermore, it was clear that additional as yet unspecified cuts would be identified.

In short, the future for education of the handicapped programs is not good. There will be additional budget cut proposals, especially in January 1982. Those who are concerned about education of the handicapped programs will find themselves lobbying against child and maternal health, elementary and secondary education, postsecondary education, etc. Each interest group will present its program as a notable and special one. Yet everyone will end up acting like crabs in a barrel --- pulling the leader down in order to advance and no one will.

The survival of these programs will depend almost exclusively on the ability of all those interested in domestic programs to coalesce around some sound budget recommendations. Simply fighting any budget reductions will not succeed. And whether these groups can coalesce remains to be seen.